



NEWS RELEASE

Internal Revenue Service - Criminal Investigation
Los Angeles Field Office
Erick Martinez, Special Agent in Charge

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Prepared by: Special Agent Linda Lowery, Public Information Officer
Email: linda.lowery@ci.irs.gov

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DOZENS OF ALLEGED MEMBERS OF SINALOA CARTEL CHARGED; LIST INCLUDES KINGPIN “EL MAYO,” HIS SONS AND OTHER TOP LEADERS

Distribution cells are dismantled in Chula Vista, National City and Oceanside

SAN DIEGO – Sixty alleged members and associates of the Mexico-based Sinaloa Cartel - including the highest ranking leaders, lieutenants and operators of multiple distribution cells - are charged in 14 indictments unsealed today with trafficking huge quantities of methamphetamine, cocaine, heroin and marijuana to points around the United States.

The indictments mark the conclusion of the third phase of a three-year investigation that, in total, has resulted in charges against 117 people and has had a significant impact on the worldwide operations of the Sinaloa Cartel.

This investigation has also offered one of the most comprehensive views to date of the inner workings of one of the world's most prolific, violent and powerful drug cartels. Cartel members and associates were targeted for three years in a massive probe involving multiple countries, scores of law enforcement agencies around the United States, a number of federal districts and over 200 court-authorized wiretaps in this district alone.

The primary indictment, unsealed in federal court in San Diego today, targets the alleged leader of the cartel, Ismael Zambada-Garcia, known as “El Mayo,” as well as two of his four sons - Ismael Zambada-Sicairos, known as “Mayito Flaco,” and Ismael Zambada-Imperial, known as “Mayito Gordo.” Zambada-Imperial was arrested by Mexican authorities in November 2014.

Also part of that indictment is Ivan Archivaldo Guzman-Salazar, known as “Chapito,” whose father Joaquín “El Chapo” Guzmán Loera was the alleged leader of the Sinaloa Cartel along with

Mayo and considered the world's most powerful drug lord until his arrest in Mexico in February 2014.

This case began in late 2011 as an investigation of what was at first believed to be a small-scale drug distribution cell in National City and Chula Vista. The alleged leader of that cell – Jose Luis Iglesias, aka Jose Bautista Samano-Molina – and a number of his associates were indicted in 2012. Iglesias remains a fugitive, but most of his associates have been sentenced.

But it soon became evident that the drugs were being supplied by the Sinaloa Cartel, and the case morphed into a massive multi-national, multi-state probe that has resulted in scores of arrests and seizures from San Diego, Los Angeles, Riverside, San Bernardino and Imperial counties to the big cities of San Francisco, Chicago, New York City and Detroit; the states of Nevada, Texas, South Carolina, Delaware, Pennsylvania, Minnesota, Kentucky, Georgia; and the countries of Mexico, Canada, Colombia, Great Britain, the Philippines, Guatemala and China.

Law enforcement in San Diego has worked hand-in-hand with agents in Chicago to target the upper level leadership of the Sinaloa Cartel. This partnership resulted in the indictment of these leaders in San Diego as well as the indictment of numerous high-level Sinaloa Cartel leaders in Chicago, including Chapo and his son Jesus Alfredo Guzman-Salazar.

On the local front, one of the indictments unsealed today charges alleged members of an Oceanside distribution cell linked to the Sinaloa Cartel which is believed responsible for supplying about one-third of the methamphetamine to the streets of San Diego's North County.

According to court records, the alleged leader of the cell, Miguel Iram Quiroz-Perez, was indicted along with 13 associates who were responsible for distribution to customers that included documented members of the Deep Valley Bloods and the Deep Valley Crips street gangs.

As part of this investigation, U.S. authorities previously arrested and prosecuted another son of Mayo -Serafin Zambada-Ortiz - who pleaded guilty in the Southern District of California in September 2014 to drug trafficking charges. Zambada Ortiz, a U.S. citizen born in San Diego, pleaded guilty to conspiring to buy more than 100 kilograms of cocaine and more than 1,000 kilograms of marijuana in Sinaloa, then import it into the United States. Zambada Ortiz faces 10 years to life in prison when sentenced on May 22, 2015.

José Rodrigo Aréchiga-Gamboa, commonly referred to by his alias "El Chino Ántrax," was arrested in the Netherlands and extradited to the United States by Dutch authorities in July 2014. Arechiga-Gamboa is believed to have worked for the Sinaloa Cartel as the leader of a violent enforcement arm of the Sinaloa Cartel called "Los Antrax" and a key lieutenant of Mayo.

Two of the indictments unsealed today also target Alfonso Arzate-Garcia, aka "Aguiles," the alleged Tijuana Plaza boss for the Sinaloa cartel, and his brother, Rene Arzate-Garcia, aka "La Rana," alleged to be an enforcer for the cartel in Tijuana who is believed responsible for a significant amount of violence in the Tijuana plaza. Both men are fugitives.

Two alleged high-ranking cartel leaders - Alfonso Limon-Sanchez and Rafael Felix-Nunez - were arrested in separate incidents by Mexican authorities in November 2014.

Limon-Sanchez is alleged to be one of Mayo's primary cocaine sources of supply. Felix-Nunez is alleged to have been one of Chino Antrax's chief lieutenants in Los Antrax.

"This extraordinary case is this district's most significant, comprehensive and large-scale cartel prosecution since the dismantling of the Arellano-Felix drug trafficking organization," said U.S. Attorney Laura Duffy. "We are going after the Sinaloa Cartel with the same passion, knowing that the drugs and violence peddled by the cartel are destroying lives and tearing the fabric of our communities."

"The culmination of this investigation is significant not only to the citizens of San Diego, but to citizens of our entire country," said DEA San Diego Special Agent in Charge William R. Sherman. "DEA has long known that the reach of the Sinaloa Cartel extends beyond the US/Mexico border to locations throughout the world. This investigation targeted the highest ranking members of this powerful cartel, taking them out of commission, seriously impacting their operational structure. DEA and its law enforcement partners will continue to target and investigate this violent and dangerous cartel until its world-wide operations are completely dismantled."

"San Diego is at the forefront of narco-dollar money laundering, with couriers using bulk cash smuggling, structured bank deposits, and high-end luxury vehicles and airplanes to move their illicit drug proceeds," said IRS Criminal Investigation's Special Agent in Charge Erick Martinez. "Seizing the dirty cash and assets of these illegal organizations will hit the criminals where it hurts the most--it will deprive them of their profits."

In all, with the conclusion of this third phase, the government has seized more than 652 kilograms of methamphetamine, 1,343 kilograms of cocaine, 12.2 tons of marijuana, 53 kilograms of heroin, 5,500 oxycodone pills and \$14.1 million in narcotics proceeds.

According to the main indictment, the alleged leaders of the cartel imported large quantities of cocaine, methamphetamine and other drugs, as well as the chemicals to manufacture methamphetamine, into Mexico from Asia and Central and South American countries including Colombia, Ecuador, Venezuela, Peru, Panama, Costa Rica, Honduras and Guatemala. The traffickers used various methods to move the drugs, including cargo aircraft, private aircraft, submarines and other submersible and semi-submersible vessels, container ships, supply vessels, go-fast boats, fishing vessels, buses, rail cars, tractor trailers, trucks, automobiles, and private and commercial interstate and foreign carriers, the indictment said.

The indictment alleges that the large quantities of drugs were then smuggled across the international border to San Diego via automobiles, tractor trailers, trucks, fishing vessels and tunnels and stored at various stash houses, safe houses and warehouses in San Diego County. The cocaine, methamphetamine and marijuana were transported and distributed from there to locations throughout the U.S.

According to the indictment, trafficking proceeds were laundered through bulk cash smuggling; structured bank deposits; wire transfers; currency exchange transfers; alternative credit-based systems used to transfer money without the use of wires or other traditional means; goods-based systems in which items, including high end luxury vehicles and airplanes, were purchased in one location and transferred to another location; and other methods by shared networks of money couriers and money launderers associated with the Sinaloa Cartel.

According to the indictment, the government is seeking criminal forfeiture of a number of possessions, including a 1982 Cessna Turbo 210 aircraft, a Lamborghini Murcielago luxury vehicle, and other vehicles and property.

In order to protect their drug distribution activities and evade law enforcement, the traffickers took a number of steps. They obtained guns and other weapons and used intimidation, violence and threats of violence against members of law enforcement, rival drug traffickers and members of their own drug trafficking organization, the indictment said.

DEFENDANTS

Case Number 14CR0658-DMS

Ismael Zambada-Garcia, aka Mayo	Age: 64	Culiacan, Mexico
Ismael Zambada-Imperial aka Mayito Gordo	Age: 30	Culiacan, Mexico
Ismael Zambada-Sicairos, aka Mayito Flaco	Age: 32	Culiacan, Mexico
Ivan Archivaldo Guzman-Salazar	Age: 31	Culiacan, Mexico

SUMMARY OF CHARGES

Continuing Criminal Enterprise, in violation of Title 21 U.S.C. §§ 848(a) and (b)
Term of custody including a mandatory minimum 20 years and up to life imprisonment, \$2 million fine and 5 years supervised release.

Ismael Zambada-Garcia is charged as the principal administrator, organizer or leader of the enterprise or is one of several such principal administrators, organizers, or leaders; and the violation involved 300 times the quantity of a substance described in subsection 841(b)(1)(B) (100 grams of heroin, 500 grams of cocaine, 100 kilograms of marijuana or 50 grams of Methamphetamine mixture), which is mandatory life imprisonment.

Conspiracy to Distribute Controlled Substances for Purpose of Unlawful Importation, in violation of Title 21 U.S.C. §§ 959, 960 and 963; Term of custody including a mandatory minimum 10 years and up to life imprisonment, \$10,000,000 fine and 5 years supervised release.

Conspiracy to Import Controlled Substances, in violation of Title 21 U.S.C. §§ 952, 960 and 963. Term of custody including a mandatory minimum 10 years and up to life imprisonment, \$10,000,000 fine and 5 years supervised release.

Conspiracy to Distribute Controlled Substances, in violation of Title 21 U.S.C. §§ 841 and 846
Term of custody including a mandatory minimum 10 years and up to life imprisonment, \$10,000,000 fine and 5 years supervised release.

Conspiracy to Commit Money Laundering, in violation of Title 18 U.S.C. §§ 1956 (a)(2)(A) and (h). Term of custody up to 20 years imprisonment, a fine of the greater of \$500,000 or twice the value of the monetary instrument or funds involved and 5 years supervised release.

AGENCIES

Drug Enforcement Administration
Customs and Border Protection Office of Field Operations
Customs and Border Protection Office of Border Patrol
Internal Revenue Service
Federal Bureau of Investigation
Homeland Security Investigations
United States Attorney's Office, Northern District of Illinois
Department of Treasury, Office of Foreign Asset Control
Oceanside Police Department
San Bernardino County Sheriff's Department
National City Police Department
Chula Vista Police Department
San Diego Police Department
San Diego County District Attorney's Office
San Diego Law Enforcement Coordination Center
Interpol

*An indictment or complaint is not evidence that the defendants committed the crimes charged. The defendants are presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.

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United States Attorney's Office contact:

Assistant United States Attorney
Adam Braverman
(619) 546-6717